

# OPEN MEETING



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## MEMORANDUM

Arizona Corporation Commission

DOCKETED

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TO: THE COMMISSION

MAY 27 2014

2014 MAY 21 P 1:04

FROM: Utilities Division

DATE: May 28, 2014

DOCKETED BY 

CORP COMMISSION  
DOCKET CONTROL

RE: APPLICATION OF KYLLO DEVELOPMENT CORPORATION DBA BRADSHAW MOUNTAINVIEW WATER COMPANY FOR APPROVAL OF BEST MANAGEMENT PRACTICE TARIFF (DOCKET NO. W-02089A-14-0160)

### INTRODUCTION

ORIGINAL

On May 21, 2014, Kylo Development Corporation dba Bradshaw Mountainview Water Company ("Bradshaw Mountainview" or "Company") filed with the Arizona Corporation Commission ("Commission") an application for approval of a Best Management Practice ("BMP") Tariff.

### COMPANY'S FILING

In its filing the Company is requesting Commission approval to implement the water conservation measure listed below.

**Water System Tampering Tariff – BMP 5.2:** The purpose of this tariff is to promote the conservation of groundwater by enabling the Company to bring an action for damages or to enjoin any activity against a person who tampers with the water system.

### STAFF'S ANALYSIS

#### *Background Information and Service Area Characteristics*

The Bradshaw Mountainview System serves over 600 metered customers. The System serves primarily residential customers and is located approximately three miles northwest of the Town of Cordes Junction in Yavapai County, Arizona. The service area encompasses approximately two and one-half square miles and is not located in an Arizona Department of Water Resources' ("ADWR") Active Management Area.


According to the Company the purpose of the filing is to assist the Company in preventing meter tampering in its service area. Staff understands that the Company has had several customers cut off locks on meters sets and in some cases the locking tabs have been damaged.

*Proposed Tariff*

Staff created a set of BMP tariff templates that were developed using the BMP descriptions outlined in the ADWR Modified Non-Per Capita Conservation Program and relevant ADWR documents. The proposed tariff conforms to the water system tampering tariff template for BMP 5.2 developed by Staff.

**RECOMMENDATION**

Staff believes that the proposed BMP tariff could assist the Company in preventing meter tampering in its service area. The tariff proposed by Bradshaw Mountainview conforms to the water system tampering tariff template developed by Staff. Staff recommends approval of the water system tampering tariff filed by the Company on May 21, 2014, attached to the proposed order as Exhibit A.



Steven M. Olea  
Director  
Utilities Division

SMO:DWS:red/JFW

Originator: Del Smith

Company: Bradshaw Mountainview Water Company

Decision No.: \_\_\_\_\_

Phone: 800-315-5333

Effective Date: \_\_\_\_\_

## **WATER SYSTEM TAMPERING TARIFF – BMP 5.2**

### **PURPOSE**

The purpose of this tariff is to promote the conservation of groundwater by enabling the Company to bring an action for damages or to enjoin any activity against a person who tampers with the water system.

### **REQUIREMENTS:**

The requirements of this tariff are governed by Rules of the Arizona Corporation Commission, specifically Arizona Administrative Code ("AAC") R14-2-410 and the Arizona Department of Water Resources' Required Public Education Program and Best Management Practices in the Modified Non-Per Capita Conservation Program.

1. In support of the Company's water conservation goals, the Company may bring an action for damages or to enjoin any activity against a person who: (1) makes a connection or reconnection with property owned or used by the Company to provide utility service without the Company's authorization or consent; (2) prevents a Company meter or other device used to determine the charge for utility services from accurately performing its measuring function; (3) tampers with property owned or used by the Company; or (4) uses or receives the Company's services without the authorization or consent of the Company and knows or has reason to know of the unlawful diversion, tampering or connection. If the Company's action is successful, the Company may recover as damages three times the amount of actual damages.
2. Compliance with the provisions of this tariff will be a condition of service.
3. The Company shall provide to all its customers, upon request, a complete copy of this tariff and AAC R14-2-410. The customers shall follow and abide by this tariff.
4. If a customer is connected to the Company water system and the Company discovers that the customer has taken any of the actions listed in No. 1 above, the Company may terminate service per AAC R14-2-410.
5. If a customer believes he/she has been disconnected in error, the customer may contact the Commission's Consumer Services Section at 1-800-222-7000 to initiate an investigation.

1                               **BEFORE THE ARIZONA CORPORATION COMMISSION**

2   BOB STUMP  
          Chairman  
3   GARY PIERCE  
          Commissioner  
4   BRENDA BURNS  
          Commissioner  
5   BOB BURNS  
          Commissioner  
6   SUSAN BITTER SMITH  
          Commissioner

8   IN THE MATTER OF THE APPLICATION )  
9   OF KYLLO DEVELOPMENT            )  
10  CORPORATION DBA BRADSHAW  
11  MOUNTAINVIEW WATER COMPANY  
12  FOR APPROVAL OF BEST  
13  MANAGEMENT PRACTICE TARIFF.

DOCKET NO. W-02089A-14-0160

DECISION NO. \_\_\_\_\_

ORDER

13   Open Meeting  
14   June 10 and 11, 2014  
15   Phoenix, Arizona

16   BY THE COMMISSION:

17                                       FINDINGS OF FACT

18           1.     Kyllo Development Corporation dba Bradshaw Mountainview Water Company  
19   ("Bradshaw Mountainview" or "Company") is certificated to provide water service as a public service  
20   corporation in the State of Arizona.

21           2.     On May 21, 2014, Bradshaw Mountainview filed with the Arizona Corporation  
22   Commission ("Commission") an application for approval of a Best Management Practice ("BMP")  
23   Tariff.

24           3.     In its filing the Company is requesting Commission approval to implement the water  
25   conservation measure listed below.

26                       **Water System Tampering Tariff – BMP 5.2:** The purpose of this tariff is to  
27   promote the conservation of groundwater by enabling the Company to bring an action  
28   for damages or to enjoin any activity against a person who tampers with the water  
          system.

**Staff's Analysis****Background Information and Service Area Characteristics**

4. The Bradshaw Mountainview System serves over 600 metered customers. The System serves primarily residential customers and is located approximately three miles northwest of the Town of Cordes Junction in Yavapai County, Arizona. The service area encompasses approximately two and one-half square miles and is not located in an Arizona Department of Water Resources' ("ADWR") Active Management Area.

5. According to the Company the purpose of the filing is to assist the Company in preventing meter tampering in its service area. Staff understands that the Company has had several customers cut off locks on meters sets and in some cases the locking tabs have been damaged.

**Proposed Tariffs**

6. Staff created a set of BMP tariff templates that were developed using the BMP descriptions outlined in the ADWR Modified Non-Per Capita Conservation Program and relevant ADWR documents. The proposed tariff conforms to the water system tampering tariff template for BMP 5.2 developed by Staff.

**Recommendation**

7. Staff believes that the proposed BMP tariff could assist the Company in preventing meter tampering in its service area. The tariff proposed by Bradshaw Mountainview conforms to the water system tampering tariff template developed by Staff. Staff recommends approval of the water system tampering tariff filed by the Company on May 21, 2014, attached to the proposed order as Exhibit A.

**CONCLUSIONS OF LAW**

1. Bradshaw Mountainview Water Company is a public service corporation within the meaning of Article XV, Section 2, of the Arizona Constitution.

2. The Commission has jurisdiction over Bradshaw Mountainview Water Company and of the subject matter of the Application.

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ORDER

IT IS FURTHER ORDERED that Bradshaw Mountainview Water Company shall notify its customers, in a form acceptable to Staff, of the BMP tariff authorized herein and its effective date by means of either an insert in the next regularly scheduled billing or by a separate mailing and shall provide a copy of the BMP tariff to any customer upon request.

IT IS FURTHER ORDERED that Staff shall file a letter in the Docket confirming that the Bradshaw Mountainview Water Company tariffs have been updated with the tariff approved herein.

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IT IS FURTHER ORDERED that the BMP tariff authorized herein shall go into effect 30 days after the date notice is sent to Bradshaw Mountainview Water Company customers.

IT IS FURTHER ORDERED that this Decision shall become effective immediately.

**BY THE ORDER OF THE ARIZONA CORPORATION COMMISSION**

CHAIRMAN

COMMISSIONER

COMMISSIONER

COMMISSIONER

COMMISSIONER

IN WITNESS WHEREOF, I, JODI JERICH, Executive Director of the Arizona Corporation Commission, have hereunto, set my hand and caused the official seal of this Commission to be affixed at the Capitol, in the City of Phoenix, this \_\_\_\_\_ day of \_\_\_\_\_, 2013.

\_\_\_\_\_  
JODI JERICH  
EXECUTIVE DIRECTOR

DISSENT: \_\_\_\_\_

DISSENT: \_\_\_\_\_

SMO:DWS:red/JFW

1 SERVICE LIST FOR: Bradshaw Mountainview Water Company  
2 DOCKET NO. W-02089A-14-0160

3 Mr. Tim Kylo  
4 President  
5 Kylo Development Corporation dba Bradshaw Mountainview Water Company  
6 PO Box 10593  
7 Sedona, Arizona 86339

8 Ms. Janice M. Alward  
9 Chief Counsel, Legal Division  
10 Arizona Corporation Commission  
11 1200 West Washington Street  
12 Phoenix, Arizona 85007

13 Mr. Steven M. Olea  
14 Director, Utilities Division  
15 Arizona Corporation Commission  
16 1200 West Washington Street  
17 Phoenix, Arizona 85007

18 Ms. Lyn Farmer  
19 Chief Administrative Law Judge  
20 Hearing Division  
21 Arizona Corporation Commission  
22 1200 West Washington Street  
23 Phoenix, Arizona 85007



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# EXHIBIT A

Company: Bradshaw Mountainview Water Company

Decision No.: \_\_\_\_\_

Phone: 800-315-5333

Effective Date: \_\_\_\_\_

## **WATER SYSTEM TAMPERING TARIFF – BMP 5.2**

### **PURPOSE**

The purpose of this tariff is to promote the conservation of groundwater by enabling the Company to bring an action for damages or to enjoin any activity against a person who tampers with the water system.

### **REQUIREMENTS:**

The requirements of this tariff are governed by Rules of the Arizona Corporation Commission, specifically Arizona Administrative Code ("AAC") R14-2-410 and the Arizona Department of Water Resources' Required Public Education Program and Best Management Practices in the Modified Non-Per Capita Conservation Program.

1. In support of the Company's water conservation goals, the Company may bring an action for damages or to enjoin any activity against a person who: (1) makes a connection or reconnection with property owned or used by the Company to provide utility service without the Company's authorization or consent; (2) prevents a Company meter or other device used to determine the charge for utility services from accurately performing its measuring function; (3) tampers with property owned or used by the Company; or (4) uses or receives the Company's services without the authorization or consent of the Company and knows or has reason to know of the unlawful diversion, tampering or connection. If the Company's action is successful, the Company may recover as damages three times the amount of actual damages.
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